

J00A0104
Washington Metropolitan Area Transit Authority
Maryland Department of Transportation

Operating Budget Data

(\$ in Thousands)

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$145,027	\$153,921	\$168,200	\$14,279	9.3%
Total Funds	\$145,027	\$153,921	\$168,200	\$14,279	9.3%

- The operating subsidy grant provided by Maryland to the Washington Metropolitan Area Transit Authority (WMATA) increases by just under \$14.3 million, or 9.3% in fiscal 2006.
- Based on the fiscal 2006 operating budget proposed by WMATA, an additional \$2.3 million may be required to meet Maryland's share of the operating subsidy.

PAYGO Capital Budget Data

(\$ in Thousands)

	Fiscal 2004	Fiscal 2005		Fiscal 2006	
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>Request</u>	<u>Allowance</u>
Special	\$148,498	\$85,350	\$42,900	\$0	\$145,641
Federal	9,868	16,840	16,768	0	21,060
Total	\$158,366	\$102,190	\$59,668	\$0	\$166,701

- The capital grant provided to WMATA increases by just over \$107 million in fiscal 2006.
- The substantial increase includes enhanced capital support (\$60 million) that Maryland committed to in the October 2004 Metro Matters agreement.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

Farebox Recoveries: Farebox recoveries for WMATA as a whole are relatively high. However, the steady increase in farebox recoveries seen from fiscal 2003 to 2005 appears to falter in fiscal 2006.

Ridership: Metrorail ridership remains strong and is projected to continue growing. However, Metrobus ridership fell from fiscal 2003 to 2004, raising questions about the ability to meet projected Metrobus ridership levels in fiscal 2005 and 2006.

Operating Budget Recommended Actions

1. Adopt committee narrative on performance measures.

PAYGO Budget Recommended Actions

	<u>Funds</u>
1. Reduce capital funds by \$60 million.	\$ 60,000,000
Total Reductions	\$ 60,000,000

Updates

Metro Blue Line Expansion: In fiscal 2004 the Maryland Department of Transportation (MDOT) advanced WMATA \$98 million to pay for the Metro blue line extension to Largo Town Center pending the receipt of federal funds that were held up by delays in the federal budget process. MDOT is still awaiting repayment of that funding.

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Washington Metropolitan Area Transit Authority
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Budget Analysis

Program Description

The Washington Metropolitan Area Transit Authority (WMATA) operates the second largest rail transit system and the fifth largest bus network in the United States. WMATA was created in 1967 by an interstate compact in which Maryland; Washington, DC; and Virginia participate. Each signatory jurisdiction provides two directors to WMATA's six-member Board of Directors. Construction of WMATA's 103-mile Metrorail system began in 1969 and was completed in 2001; the system now serves 26 stations in Maryland.

Maryland provides an annual operating grant to the Washington Suburban Transit Commission (WSTC) through the Maryland Department of Transportation's (MDOT) Office of the Secretary budget. WSTC provides funding to WMATA for the operation of the Metrorail, Metrobus, and Metroaccess programs. These operating grants are based on numerous factors, including miles of service, number of stations, number of passengers, and population density in each jurisdiction, and are offset by the fare revenues generated by each service.

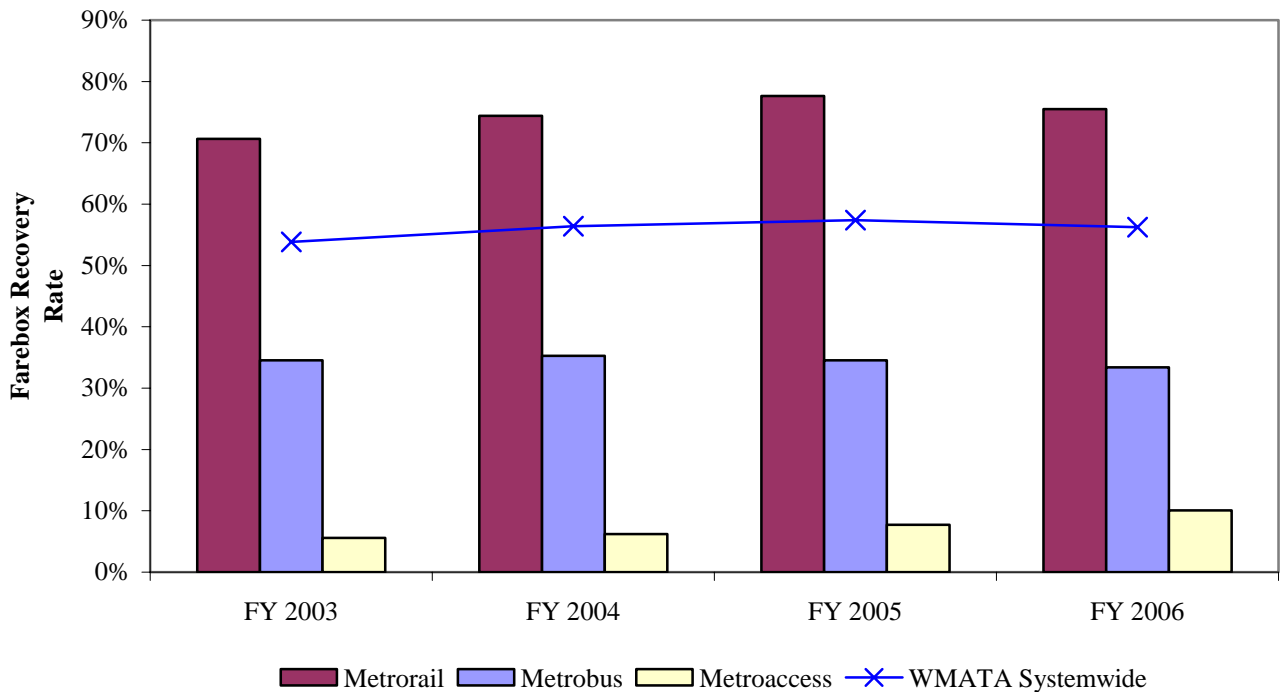
WMATA's mission is to ensure the best in safe, reliable, cost-effective, and responsive transit services by promoting regional mobility, and by contributing toward the social, economic, and environmental well-being of our community.

Performance Analysis: Managing for Results

Budget bill language added in the 2004 session requested MDOT to submit performance measures for WMATA with the fiscal 2006 allowance. Those measures were in fact submitted. **Exhibit 1** details farebox recovery data for WMATA (based on ascribing all revenues to the various system components). A number of points can be made from the exhibit:

- Metrorail farebox recoveries are projected to increase sharply from 71% in fiscal 2003 to 78% in fiscal 2005. However, the beneficial impact on revenues from fare increases that were instituted in June 2004 is projected to lessen in fiscal 2006 (despite the recent small system expansion), resulting in a slight drop in farebox recovery to 76%. Interestingly, MDOT has indicated that Metrorail ridership has continued to be strong and that revenue growth may continue.
- Metrobus farebox recoveries are flat from fiscal 2003 to 2005 and are projected to fall in fiscal 2006.

Exhibit 1
WMATA – Farebox Recovery Rates
Fiscal 2003 – 2006
(% of Total Operating Costs)



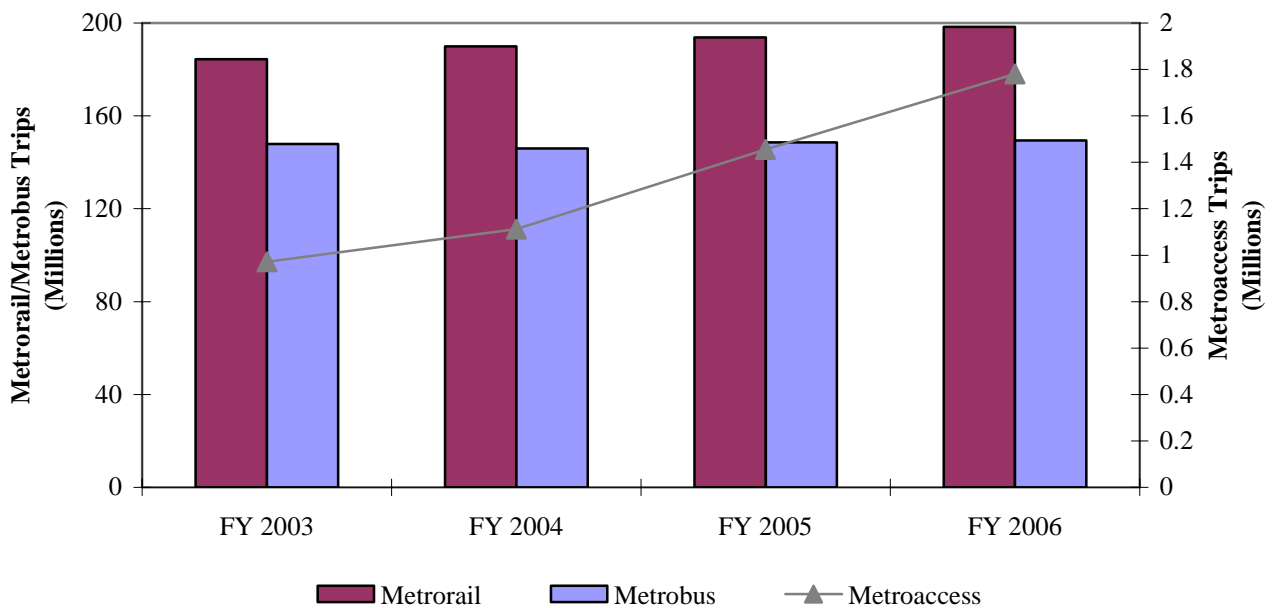
Note: Data reflects all revenue sources ascribed to each system component.

Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

- Metroaccess farebox recoveries are projected to rise in fiscal 2005 and 2006 but still represent a small percentage of overall cost. Further, it is anticipated that this increase is temporary as fiscal 2006 is an option year for the current Metroaccess contractor. Significant cost increases in the contract are expected, driving down the farebox recovery for this service.
- Overall, the steady increase in farebox recoveries seen from fiscal 2003 to 2005 is projected to falter in fiscal 2006.
- Compared to other systems, according to 2002 data from the National Transit Database, Metrorail's farebox recovery ranked second only to New York City Transit and ahead of the national average; Metrobus fare recoveries were actually below the national average. However, it is argued that Metrobus fares are deliberately set low because they are a feeder to the rail system.

Exhibit 2 details ridership data for WMATA. Despite increases in fares in recent years, and in part helped by recent system expansion, Metrorail ridership has not fallen and is projected to increase in fiscal 2005 and 2006. Conversely, Metrobus ridership actually fell from fiscal 2003 to 2004. It is unclear if the ridership projections for fiscal 2005 and 2006 (projecting growth above fiscal 2003) will be realized.

Exhibit 2
WMATA – Ridership Data
Fiscal 2003 – 2006



Note: Metrorail trips are linked trips; Metrobus trips are unlinked trips; Metroaccess trips are trips completed by contract carrier.

Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

Metroaccess trips are anticipated to increase significantly in fiscal 2005 and 2006.

In a recent report on the need for additional funding for WMATA, a number of other service measures were noted as sharply declining. For example:

- Breakdowns are becoming more frequent. The mean distance between failures on Metrorail fell from just over 70,000 miles in fiscal 2002 to just under 50,000 miles in fiscal 2004; similarly, for Metrobus, the same measure fell from around 5,600 miles in fiscal 2002 to 4,800 in fiscal 2004.

- Overcrowding on Metrorail and Metrobus is also seen as worsening.

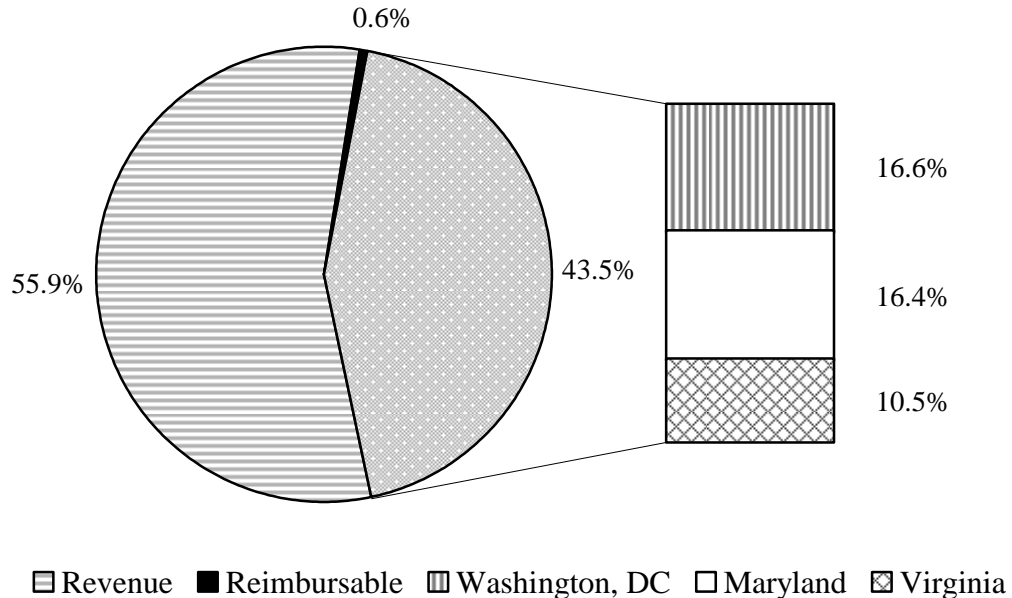
In order to better measure WMATA’s performance, DLS recommends adopting as narrative the same language added in the 2004 session with the addition of data establishing system benchmarks and comparing WMATA to its peer systems.

Governor’s Proposed Budget

WMATA’s Proposed Fiscal 2006 Operating Budget

WMATA’s proposed fiscal 2006 operating budget (excluding debt service) is just over \$1 billion. As shown in **Exhibit 3**, just under 56% of the budget is anticipated to be supported by revenues (primarily passenger fares but also such things as parking fees and advertising revenues). Most of the remainder is derived from the local operating subsidy.

Exhibit 3
WMATA – Proposed Fiscal 2006 Operating Budget
Funding Sources



Note: Excludes debt service.

Source: Washington Metropolitan Area Transit Authority

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The proposed fiscal 2006 operating budget (excluding debt service) is \$70.1 million above fiscal 2005. Key changes proposed in the budget are shown in **Exhibit 4**.

Exhibit 4
Key Changes between WMATA Approved Fiscal 2005 Operating Budget and Proposed Fiscal 2006 Operating Budget

<u>Change</u>	<u>Cost (\$ Millions)</u>
Increase to base funding (salaries and fringe benefits, fuel and utilities, and so forth), including 124 additional positions	\$47.0
Additional Rail and Bus Service	
Largo, New York Avenue	6.7
Bus service adjustments	2.6
6000 series rail cars	3.0
Other	2.6
New Customer Service Initiatives	
Track inspectors, 14 additional positions to decrease coverage responsibility	1.0
Service reliability, 37 additional positions to complement track inspections, improve crowd control, improve signage, etc.	3.0
Cleanliness, 26 additional positions to improve vehicle and station cleaning	1.7
Customer service, 16 additional positions to better handle customer complaints, consumer correspondence, establish a quality assurance program, etc.	1.3
Relamping and fare charts	2.0
Reimbursable Operating Expenses	
Reimbursable services	-0.8
Total	\$70.1

Source: Washington Metropolitan Area Transit Authority; Maryland Department of Transportation

Maryland's Fiscal 2006 WMATA Operating Subsidy

As shown in **Exhibit 5**, based on WMATA's proposed fiscal 2006 operating budget, Maryland's share of the operating subsidy is \$167.6 million, with reimbursable expenditures adding an additional \$2.9 million for a total expenditure of \$170.5. The Governor's fiscal 2006 allowance for WMATA is \$168.2 million. Of this, \$165.3 million is provided for the Maryland share of the WMATA local operating subsidy, and \$2.9 million are for reimbursable expenses. **Based on WMATA's proposed operating budget, Maryland would be required to increase its operating subsidy by \$2.3 million above the allowance.** This discrepancy is not atypical because of the timing involved in the

Exhibit 5
WMATA Operating Budget Revenues Source
Maryland Operating Subsidy
(Excluding Debt Service)
Fiscal 2004 – 2006
(\$ in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Change</u> <u>FY 05-06</u>	<u>% Chang</u> <u>FY 05-06</u>
Revenue	\$495.9	\$541.5	\$570.7	\$29.2	5.4%
Local Subsidy	383.7	402.2	443.9	41.7	10.4%
Reimbursable Operating	7.4	6.7	5.9	-0.8	-11.9%
Total	\$887	\$950.4	\$1,020.5	\$70.1	7.4%
Maryland Share of Operating Subsidy		\$151.0	\$167.6	\$16.6	11.0%
Maryland Reimbursables		2.9	2.9	0	0.0%
Total		\$153.9	\$170.5	\$16.6	10.8%
Fiscal 2006 Allowance			168.2	14.3	9.3%
Difference			\$2.3		

Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

preparation of the WMATA and State budgets. MDOT indicates that it will continue to work with WMATA to reduce the proposed fiscal 2006 budget. Additionally, the department indicates that Metrorail ridership levels in particular have shown remarkable resilience to fare increases and that estimated fiscal 2006 revenues may be higher than currently projected.

The fiscal 2006 Maryland operating subsidy is anticipated to be almost \$16.6 million above the fiscal 2005 working appropriation – 11%. As shown in Exhibit 5, the rate of growth in the Maryland local subsidy is slightly higher than that of the local subsidy overall. As also shown in the exhibit, it is the growth in the local subsidy rather than revenues that is the primary support for increased expenditures in fiscal 2006.

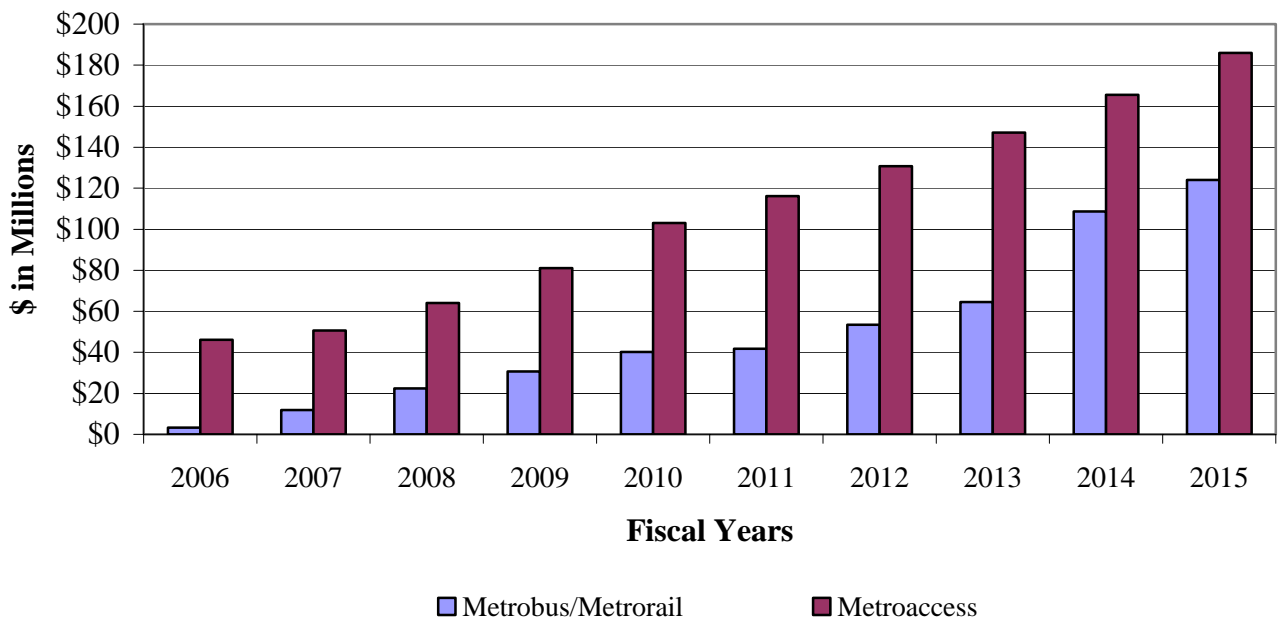
Long-term Operating Budget Trends

A recent report of the Panel on the Analysis of and Potential for Alternate Dedicated Revenues Sources for WMATA (Metro Funding Panel), sponsored by the Metropolitan Washington Council of Governments, Federal City Council, and the Greater Washington Board of Trade looked at long-term

funding requirements for WMATA from an operating and capital perspective. As shown in **Exhibit 6**, the panel concluded that between fiscal 2006 and 2015 operating expenditures for Metrobus and Metrorail combined would exceed available revenues by \$500 million. Key assumptions underpinning this estimate included:

- maintaining a farebox recovery rate of 57% (something that the fiscal 2006 operating budget does not assume); and
- a maintenance of effort in the local subsidy, increasing at an average annual rate of 5.3%.

Exhibit 6
Metro Funding Panel Report
WMATA Operating Budget Needs
Fiscal 2006 – 2015



Source: Metro Funding Panel Report

Metroaccess expenditures were broken out from the discussion of the operating funding shortfall as the panel believed these services are fundamentally different from WMATA’s basic mission. As shown in Exhibit 6, Metroaccess expenditures are projected to exceed revenues by over \$1 billion over the 10-year period. This growth is due to rapidly increasing demand for a service in which fares are constrained by federal regulation. Consequently, each ride is heavily subsidized. The Metro

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Funding Panel noted that additional financial support should be generated through packaging alternative funding sources, for example, social services and medical funding.

PAYGO Capital Program

Program Description

MDOT's Office of the Secretary provides a grant to support WMATA's capital program, including the design, construction, and rehabilitation of the Metrorail and Metrobus systems. The State also pays 100% of Maryland's share of Metrorail construction, maintenance, debt service, and paratransit retrofitting costs.

Fiscal 2005 to 2010 Maryland Consolidated Transportation Program (CTP)

The fiscal 2006 allowance for WMATA's capital program totals \$166.7 million, an increase of \$107 million over the fiscal 2005 working appropriation.

WMATA's Capital Program and Metro Matters

In fiscal 2005 the State made its final payment of \$1,200,000 for costs associated with the construction of the original 103-mile Metrorail system. The State will continue to make an annual debt service payment of \$9.7 million on revenue bonds sold to generate additional funds for capital improvements to the system until fiscal 2014, when the bonds will be retired.

WMATA's current capital program consists of three main components – the Infrastructure Renewal Plan (IRP), the System Access Plan (SAP), and the System Expansion Plan (SEP). The IRP is an ongoing 25-year infrastructure and maintenance program intended to maintain WMATA's investment in its existing infrastructure and rolling-stock by supporting the regular rehabilitation and replacement of these items. The SAP, which was approved by WMATA's Board in fiscal 2003, is intended to provide the additional infrastructure necessary to accommodate overall growth in the Metro system. The SEP is a series of proposed expansion projects that would add as much as 100 miles of new fixed guideway services to the system.

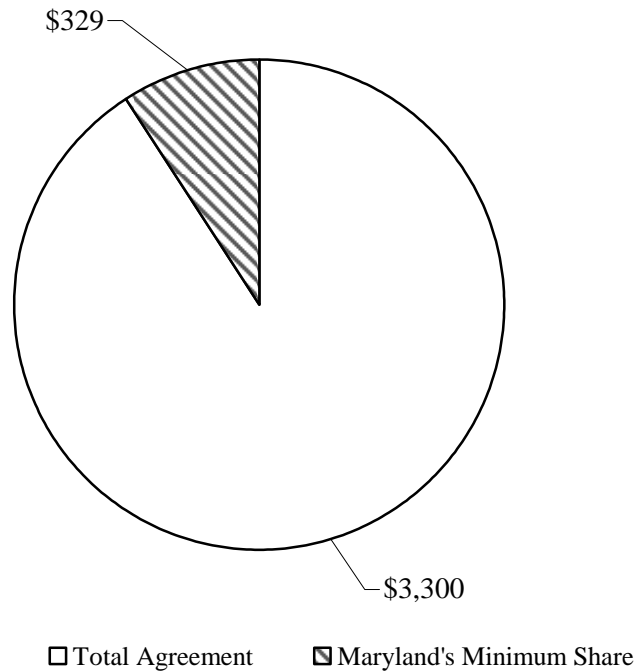
In 2001 the General Accounting Office released a study of the Metro system that identified specific capital investments that needed to be made in the system both to preserve the existing infrastructure and to expand the system's capacity to accommodate increased ridership. During the intervening years, WMATA has worked with its participating jurisdictions to determine the level of increased capital investment that they could afford to make to meet these critical infrastructure rehabilitation and expansion needs. This program, called Metro Matters, combines elements of the IRP and SAP into one comprehensive capital program that is intended to meet infrastructure rehabilitation needs while also providing expanded system capacity through the purchase of additional rolling stock.

In October 2004, WMATA's board approved the Metro Matters capital improvement plan to provide \$3.3 billion in capital funding for the system over the next six years (fiscal 2005 –2010). This amounts to \$1.5 billion over and above the previously pledged funding. All eight jurisdictions

that participate in the WMATA system have agreed to provide specified contributions to support the additional \$1.5 billion in funding.

As shown in **Exhibit 7**, Maryland’s minimum commitment to the Metro Matters program through fiscal 2010 is \$329 million. The fiscal 2006 capital funding for WMATA includes an additional \$60 million for this commitment. However, MDOT has indicated that these funds will not be needed in fiscal 2006, and it intends to reprogram the funds to fiscal 2007. **Since the funds will not be required in fiscal 2006, the Department of Legislative Services (DLS) recommends reducing the capital appropriation by \$60 million.**

Exhibit 7
WMATA – Metro Matters Program
Total Funding Level
(\$ in Millions)



Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

With this additional funding, WMATA intends to exercise existing options to purchase 120 new rail cars and to purchase 185 new buses at a total cost of \$796 million. In addition, WMATA intends to complete infrastructure renewal projects (including projects to repair tunnels, escalators, track, and other facilities) at a total estimated cost of \$516 million. Finally, WMATA intends to install security enhancements at an estimated cost of \$150 million.

Exhibit 8 lists the funding levels that are projected to be provided by the State in fiscal 2006 for WMATA capital projects. According to MDOT, the first \$60 million of Maryland’s commitment to Metro Matters funding is reflected in the funding for SAP.

Exhibit 8
WMATA – Major Ongoing Construction Projects
(\$ in Thousands)

<u>Project Description</u>	<u>FY 2006</u>
Metr rail Debt Service	\$9,741
Metr rail Equipment Rehabilitation and Replacement	37,949
Metrobus Capital	7,200
Metrobus/Metr rail Repairable Parts	1,962
System Access Plan	109,849
Total	\$166,701

Source: Maryland Department of Transportation, 2005 *Consolidated Transportation Program*

Additional detail on Maryland’s fiscal 2006 contributions to WMATA’s capital budget, including federal funds that pass-through the Transportation Trust Fund but are not directly appropriated, are as follows:

- **Infrastructure Renewal Plan:** There are three projects in Maryland’s CTP that are part of WMATA’s IRP:
 - ***Metr rail Equipment Rehabilitation and Replacement:*** Maryland is projected to provide just over \$37.9 million in fiscal 2006 (plus just over \$48.1 million in pass-through federal funds) to support the ongoing rehabilitation of WMATA’s rail cars;
 - ***Metrobus Capital:*** Maryland is projected to provide \$7.2 million in fiscal 2006 (plus \$16 million in pass-through federal funds) to support the purchase of new buses at WMATA and the mid-life overhaul of WMATA’s fleet; and
 - ***Metrobus Repairable Parts:*** Maryland is projected to provide nearly \$2 million in fiscal 2006 to fund the replacement or rehabilitation of parts for rail cars, facilities, buses, and other major infrastructure components.
- **System Access Plan:** Maryland’s fiscal 2006 allowance for the SAP portion of Metro’s capital program is almost \$110 million, an increase of almost \$95 million over the fiscal 2005 working

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appropriation. The SAP funding includes the additional \$60 million fiscal 2006 capital funding to be provided by Maryland as part of the Metro Matters program.

MDOT should discuss the extent to which other jurisdictions and the federal government have established a funding strategy to fulfill their commitment to the Metro Matters program.

Long-term Capital Budget Trends

Even with the additional \$1.5 billion capital commitment provided through Metro Matters, the Metro Funding Panel report estimates a total capital funding need for WMATA of almost \$1.9 billion for the period fiscal 2006 through 2015. This estimate was based on the following assumptions:

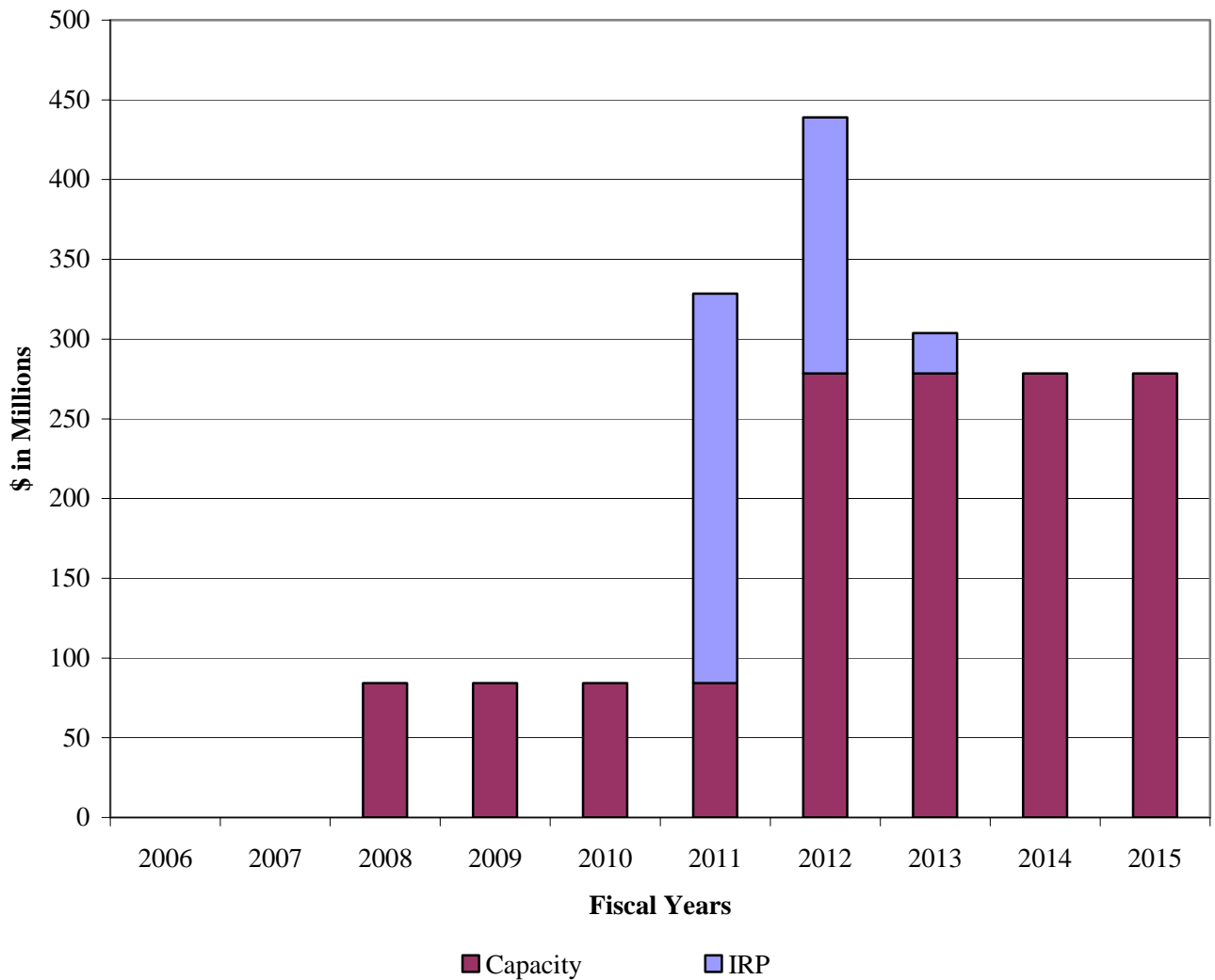
- modest growth (2.75%) in State and local funding (including a maintenance of effort in the years beyond those covered by the Metro Matters agreement);
- a similarly modest growth in federal formula funding;
- a one-time \$260 million discretionary federal grant for 120 new rail cars; and
- no consideration of any funds to support the System Expansion Program.

As shown in **Exhibit 9**, this estimated funding shortfall is split between the IRP (\$430 million, or 23% of the total shortfall) and capacity/SAP (\$1.45 billion, or 77%).

Fiscal 2005 and 2006 Cash Flow Analysis

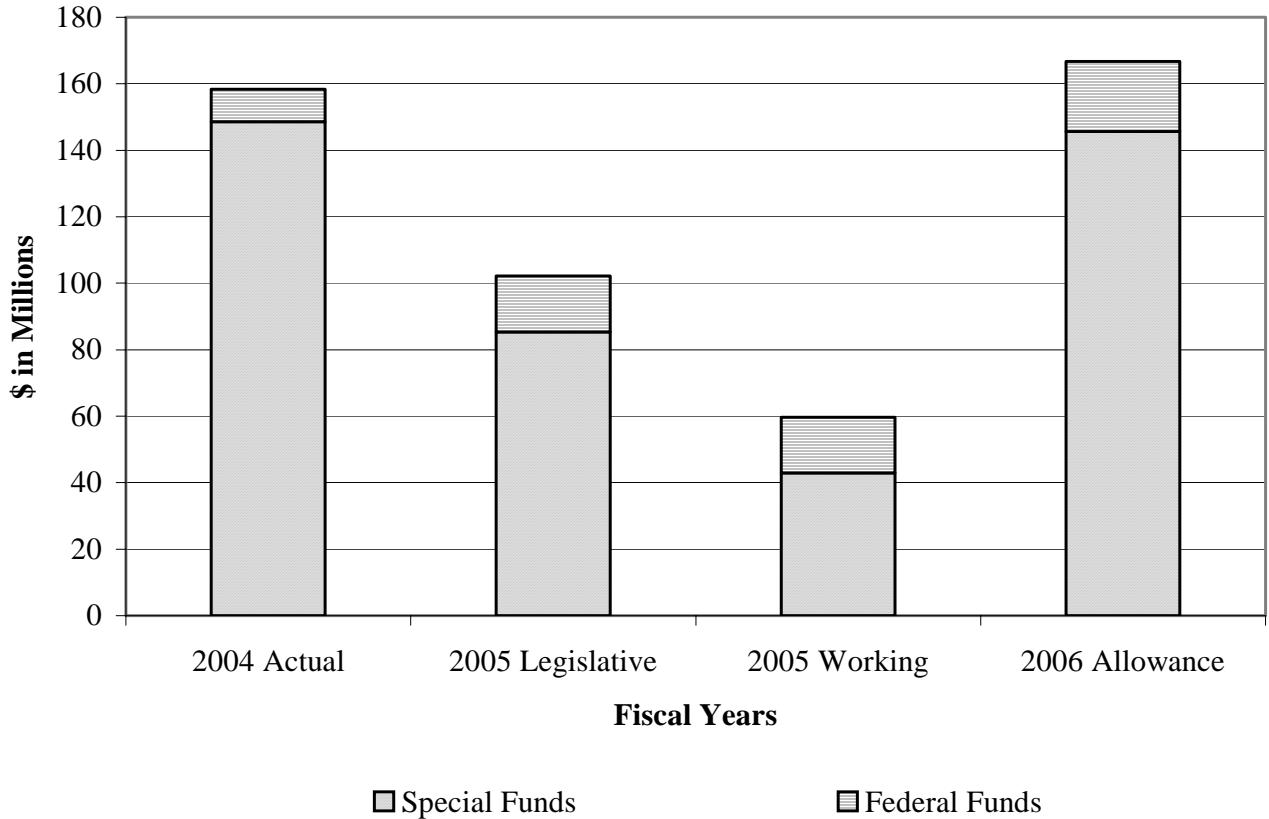
Exhibit 10 illustrates the cash flow changes in WMATA's capital programs from fiscal 2004 to 2006. The fiscal 2005 working appropriation declines by \$42.5 million from the legislative appropriation. This change is derived from a \$24.1 million cash flow adjustment related to the construction of the Blue Line extension to Largo Town Center based on the receipt of federal funds for the project by WMATA and \$18.4 million in other cash flow adjustments, primarily in the SAP. The increase in the fiscal 2006 allowance reflects both a return to what would be the normal expected spending pattern for WMATA plus the \$60 million additional contribution for the Metro Matters agreement.

Exhibit 9
Metro Funding Panel Report
WMATA – Capital Budget Needs
Fiscal 2006 – 2015



Source: Metro Funding Panel

**Exhibit 10
Fiscal 2005 to 2006 Cash Flow Changes**

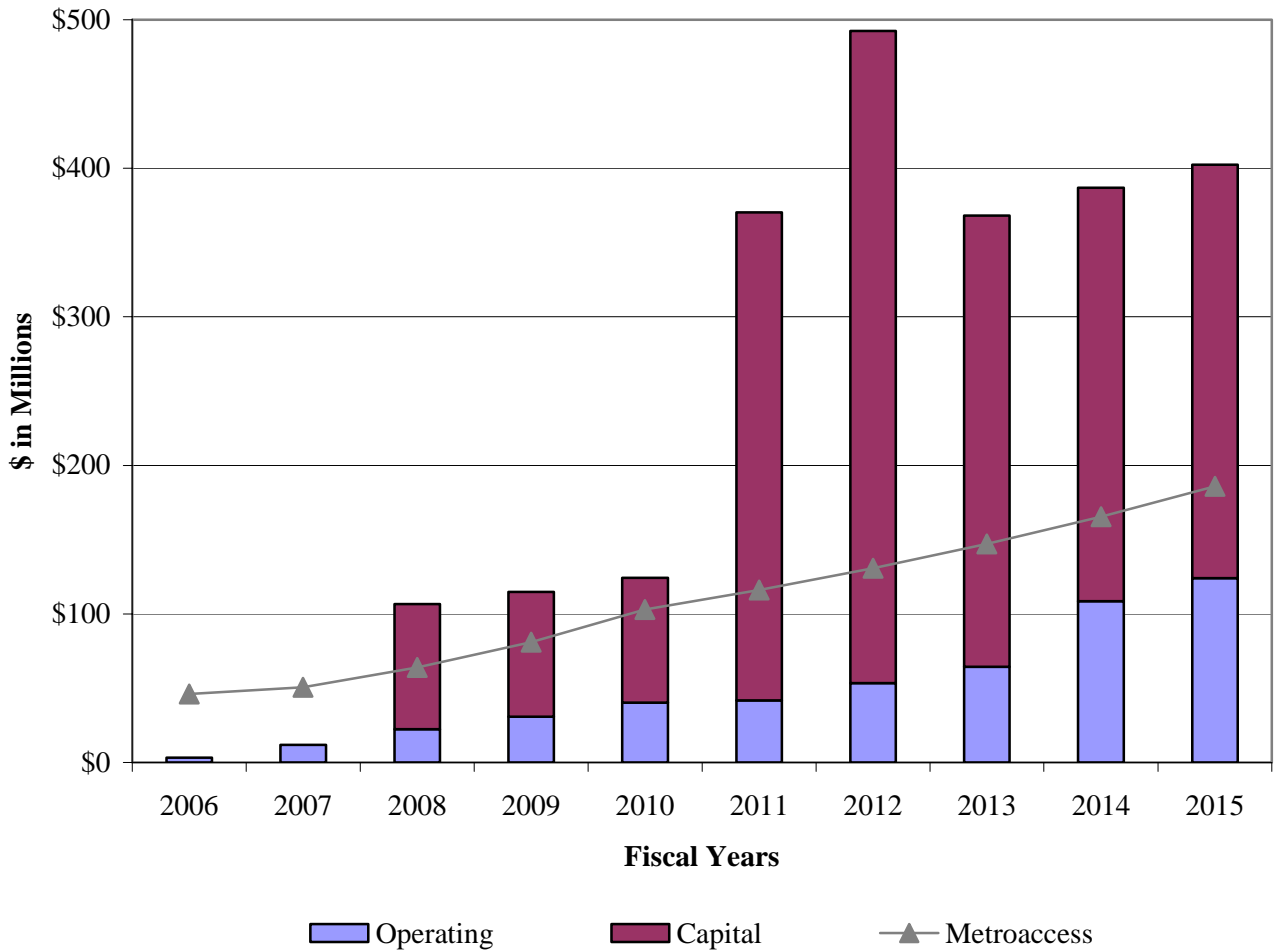


Source: Maryland Department of Transportation, 2005 *Consolidated Construction Program*

Funding of the Operating and Capital Needs Identified by the Metro Funding Panel

As shown in **Exhibit 11**, the Metro Funding Panel projects a combined operating and capital shortfall for WMATA of almost \$2.4 billion for the period fiscal 2006 to 2015. This excludes the funding problems anticipated for Metroaccess which is another \$1 billion over the same period. Of this \$2.4 billion gap, \$500 million (21%) relates to operating needs, the remainder to capital.

Exhibit 11
Metro Funding Panel Report
WMATA – Combined Operating and Capital Needs
Fiscal 2006 – 2015



Source: Metro Funding Panel

The Metro Funding Panel's recommendations to close the gap included the following:

- Maintaining revenues at 57% of total operating needs.
- Encouraging the federal government to be a significant partner in addressing funding needs. Given the extent of use of the Metro system related to effective federal operations (in terms of

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federal workforce commutes, homeland security response system, and visitors to the nation's capital) the federal government is a significant WMATA partner. The panel believes that WMATA should seek a 50:50 State/local:federal partnership to cover the projected shortfall. Historically, State/local:federal participation in WMATA funding is 57:43.

- Implementing a regional dedicated revenue source sufficient to address capital maintenance and system enhancement. The Metro Funding Panel recommended a regional sales tax of 0.5% although that amount would be halved if the federal government participated at the requested level. Absent agreement on a regional sales tax, the panel recommended a regional payroll tax, an increase in property taxes, or a special real property assessment. The panel notes that of the 25 largest United States transit agency budgets, WMATA has the second lowest share of total budget from dedicated funds (1.61%), with the Maryland Transit Administration having the lowest (at 0%).
- Forming a new panel to address the funding requirements of Metroaccess.

Perhaps not surprisingly, initial reaction to the panel's recommendation for a regional sales tax was underwhelming. However, it would seem from the panel's report that WMATA has only a couple of years to find a permanent solution to its ongoing operating and capital needs before significant shortfalls become apparent.

MDOT should comment on its assessment of WMATA's long-term operating and capital needs in the context of the Metro Funding Panel report and how those needs should be financed.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Performance Measures. In order to continue to assess the performance of the Washington Metropolitan Area Transit Authority (WMATA), the committees request the Maryland Department of Transportation (MDOT) work with WMATA in order to include in the Governor’s fiscal 2007 budget allowance the following data:

- farebox recovery rates for Metrobus, Metrorail, Metroaccess, and for WMATA as a whole;
- total ridership on Metrobus, Metrorail, and Metroaccess in Maryland and throughout the WMATA system;
- operating expenses per vehicle mile;
- operating expenses per passenger trip;
- passenger trip per vehicle mile;
- benchmarks for each of the above data; and
- comparisons to the performance of peer systems.

Actual data shall be reported for fiscal 2005 and projections shall be provided for fiscal 2006 and 2007.

Information Request	Author	Due Date
Performance measures	MDOT	With the submission of the fiscal 2007 allowance

PAYGO Budget Recommended Actions

	<u>Amount Reduction</u>
1. Reduce capital funds by \$60 million. This reduction represents Maryland’s fiscal 2006 contribution to the Metro Matters program. According to the Maryland Department of Transportation (MDOT), these funds will not be needed in fiscal 2006. MDOT intends to reprogram these funds to fiscal 2007. If some or all of the funds are needed, MDOT may process a budget amendment to increase the appropriation.	\$ 60,000,000 SF
Total Special Fund Reductions	\$ 60,000,000

Updates

1. Metro Blue Line Expansion

The 3.1-mile Metro Blue Line extension to Largo Town Center opened on December 18, 2004. The line serves two new stations – Morgan Boulevard and Largo Town Center – which are Metro’s eighty-fifth and eighty-sixth stations. The project cost \$456 million and represented the first extension of the Metrorail system beyond the original 103-mile plan.

In fiscal 2004, MDOT paid WMATA just over \$101 million for this project. Of this figure, approximately \$98 million was an advance on anticipated federal fund disbursements that were not released to WMATA in fiscal 2004 according to the expected payment schedule due to ongoing delays in the resolution of the federal budget.

All of the federal funds due to WMATA in fiscal 2004 were paid to WMATA in fiscal 2005 (including \$32.8 million released in July and \$31.2 million released in September at the end of the federal fiscal year). With this funding, WMATA had enough cash to complete construction of the Blue Line extension.

WMATA will repay the State the \$98 million advanced by the State to cover the late receipt of federal funding. At this point, according to MDOT, those funds have not been received.

Current and Prior Year Budgets

**Current and Prior Year Budgets
Washington Metropolitan Area Transit Authority
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2004					
Legislative Appropriation	\$0	\$142,915	\$0	\$0	\$142,915
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	3,500	0	0	3,500
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	-1,388	0	0	-1,388
Actual Expenditures	\$0	\$145,027	\$0	\$0	\$145,027
Fiscal 2005					
Legislative Appropriation	\$0	\$149,998	\$0	\$0	\$149,998
Budget Amendments	0	3,923	0	0	3,923
Working Appropriation	\$0	\$153,921	\$0	\$0	\$153,921

Note: Numbers may not sum to total due to rounding.

Fiscal 2004

The fiscal 2004 legislative appropriation for WMATA increased by just over \$2.1 million. This change reflected a budget amendment of \$3.5 million to increase the operating subsidy provided by the State to WMATA offset by cancellations of just under \$1.4 million.

Fiscal 2005

To date, the fiscal 2005 legislative appropriation has been increased by just over \$3.9 million. This represents an increase in the subsidy owed by Maryland to WMATA and was necessary because WMATA's operating budget had not been finalized during the 2004 legislative session; therefore, the appropriation made to WMATA at that time was based on an estimate of the likely subsidy amount that would be required from the State. With this increase, the total amount of the subsidy provided by Maryland to WMATA for fiscal 2005 is raised to just under \$154 million.

Budget Amendments for Fiscal 2005
Maryland Department of Transportation
Washington Metropolitan Area Transit Authority – Operating

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$3,922,633	Special	Provides funding required for the WMATA operating program to match WMATA's budget. During the legislative session, MDOT indicated that there was a \$5.5 million shortfall. Through the WMATA budget process, MDOT and their representatives were able to reduce the shortfall to \$3.9 million.

Source: Maryland Department of Transportation

Budget Amendments for Fiscal 2005
Maryland Department of Transportation
Washington Metropolitan Area Transit Authority – Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Pending	-\$42,450,000	Special	Adjusts the amended appropriation to agree with the anticipated expenditures for the current year as reflected in the fiscal 2005 to 2010 final CTP.
	-72,000	Federal	
Total	-\$42,522,000		

Source: Maryland Department of Transportation

Fiscal Summary
MDOT – Washington Metropolitan Area Transit Authority
Operating and Capital Budget

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
04 Washington Metropolitan Area Transit – Operating	\$ 145,027,397	\$ 153,920,633	\$ 168,200,000	\$ 14,279,367	9.3%
05 Washington Metropolitan Area Transit – Capital	158,365,557	59,668,000	166,701,000	107,033,000	179.4%
Total Expenditures	\$ 303,392,954	\$ 213,588,633	\$ 334,901,000	\$ 121,312,367	56.8%
Special Fund	\$ 293,525,383	\$ 196,820,633	\$ 313,841,000	\$ 117,020,367	59.5%
Federal Fund	9,867,571	16,768,000	21,060,000	4,292,000	25.6%
Total Appropriations	\$ 303,392,954	\$ 213,588,633	\$ 334,901,000	\$ 121,312,367	56.8%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.